



## Summary of the February 14, 2007 Board of Directors Meeting

The following is a summary of the February 14, 2007 meeting of the Board of Directors (the “Board”) of the Millennium Challenge Corporation (“MCC”), which was held in closed session at 2:45 p.m. at the U.S. Department of State, Washington, D.C.

1. The following individuals were present at the meeting:

DIRECTORS AND ALTERNATES, ACTING FOR DIRECTORS:

- Condoleezza Rice, Secretary of State (Chair)
- Robert Kimmitt, Deputy Secretary of the Treasury (Representing Henry M. Paulson, Jr. (Vice Chair), Secretary of Treasury)
- Randall Tobias, Administrator, USAID
- Karan Bhatia, Deputy U.S. Trade Representative (Representing Susan C. Schwab, United States Trade Representative)
- John J. Danilovich, Chief Executive Officer, MCC
- Kenneth F. Hackett

OTHER PARTICIPANTS (at all or a portion of the meeting): Thomas Gibson (Governor Christine Todd Whitman’s plus one); Elizabeth L. Dibble, (State); Kenneth Peel (Treasury); Carol A. Grigsby (USAID); Elena Bryan (USTR); Rodney Bent (MCC); David McCormick (NSC); Jamieson Davies (with Mr. Hackett); W. Geoff Anderson (MCC); Maureen Harrington (MCC); John Hewko (MCC); Miguel Howe (MCC); Matthew McLean (MCC); Michael Ryan (MCC); Charles O. Sethness (MCC); Michael Casella (MCC); Malik Chaka (MCC); Stephen Groff (MCC); Monica Kladakis (MCC); Sherri Kraham (MCC); Maria Longi (MCC); Brad Parks (MCC); Christian Vanderbrouk (MCC); Maura Griffin (MCC); John Mantini (MCC); Suzi Morris (MCC); Rachel Bayly (Treasury); Peter Delp (USAID); Abigail Demopulos (NSC); Steven Krasner (State); Wesley Moore (State); Michael Pascual (State).

2. **Administrative Resolutions.** The Board approved the minutes of the November 8, 2006 Board meeting.
3. **CEO Update.** The MCC CEO updated the Board on MCC operations, including his recent trip to MCC countries in Africa, planned trips to other MCC countries in the near future, an update on the recommended reinstatement of Yemen to the Threshold Program, and recommended

approvals for the Uganda and Kenya Threshold Programs. The CEO also mentioned the potential for future compacts in 2007 and his efforts to ensure that MCC receives its requested budget amount for 2008.

4. **Compact Implementation Update.** MCC's Vice President for Operations, John Hewko, briefed the Board on progress being made toward the implementation of MCC's eleven compacts. He also discussed a representative model for disbursement of compact funds during the five-year term of a compact.
5. **Budget Update.** MCC's Vice President for Administration, Michael Ryan, briefed the Board on MCC's budget, including the outlook for signing compacts in 2007 in light of the anticipated year-long continuing resolution, as well as the potential for signing compacts in 2008, based on the President's budget request for MCC.
6. **Threshold Program.** The Board voted to reinstate Yemen to the Threshold Program and approved Threshold Programs for Uganda and Kenya. In Uganda, the two-year, \$10.4 million Threshold Program will focus on corruption by improving public procurement, audit and financial management practices, strengthening the role of civil society, and building capacity to facilitate more effective follow-up of reported malpractices. Kenya's two-year, \$12.7 million Threshold Program will focus on reducing opportunities for corruption in public procurement, improving the procurement and delivery of health care, and supporting the monitoring and evaluation of procurement reforms.
7. The meeting adjourned at approximately 4:30 p.m.

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